EXECUTIVE DIRECTOR'S REPORT TO THE COLORADO RIVER BOARD OF CALIFORNIA

June 10, 2015

ADMINISTRATION

Minutes of the May 13, 2015 Meeting of the Colorado River Board

A copy of the draft Board meeting minutes from the meeting held on May 13, 2015 is included in the Board Packet for your review.

COLORADO RIVER BASIN WATER REPORT

As of June 1, 2015, the water level at Lake Mead was at 1,077 feet with 9.73 million acre-feet of storage, or 37% of capacity. Lake Mead's elevation will continue to decline for the next several weeks and has never been at this low level since it was filled. At Lake Powell, the water level was at 3,597 feet with 11.49 million acre-feet of storage, or 47% of capacity. The total system storage as of June 1, 2015 was 29.06 million acre-feet, or 47% of capacity, which is about 220,000 acre-feet more than where the system storage was at this time last year. The April-July runoff forecast for the Upper Basin is estimated to be 52% of average based on the May mid-month forecast dated May 19, 2015, which is still well below average. As a result of tremendous precipitation that occurred in May, the June 1 runoff forecast is approximately 10% higher than the May 1 forecast was and estimates that 2 million acre-feet more runoff will exist beyond what had previously been predicted. As of June 1, 2015, the Upper Colorado River basin reservoirs other than Lake Powell ranged from 95% full (Morrow Point in Colorado) to 75% full (Navajo in New Mexico), and Reclamation reported that some facilities have filled and spilled as a result of the additional precipitation received in May. NOAA's National Weather Service monthly precipitation map for May 2015 shows that almost the entire Basin received more than 150% of average precipitation and some areas in the Upper Basin received 200-400% of precipitation for the month of May. May was also much cooler than prior months, which slowed the runoff in several areas of the Upper Basin. The Colorado Basin River Forecast Center held a water supply webinar on June 5 to provide an update on the forecasts, precipitation levels and and the presentation can be seen here: http://www.cbrfc.noaa.gov/present/2015/wsWebinarJune2015.pdf

Reclamation has issued its first draft of the 2016 Colorado River Annual Operating Plan (http://www.usbr.gov/lc/region/g4000/AOP2016/AOP16 draft.pdf) and the first consultation meeting was held by webinar on May 27, 2015. The AOP documents the prior year's operations and projects Reclamation's operations for the coming year, and is used to memorialize the determinations that are made pursuant to the 2007 Guidelines for Coordinated Operations of Lake Powell and Lake Mead. During its presentation, Reclamation noted the increase in precipitation the Basin received in May, and confirmed that Lake Powell is still expected to release 9.0 million acre-feet of water in 2015, but cautioned that the modeling runs are showing results that are very close to the trigger elevations in both Lake Powell and Lake Mead, and are subject to change on a month-by-month basis. The next AOP Consultation is scheduled for July

On May 15, 2015, Reclamation released the final version of the 2014 Colorado River Accounting and Water Use Report for Arizona, California and Nevada, in compliance with Article V of the Arizona v. California Supreme Court Decree. The report documents all of the releases of water through the federal regulatory structures, and diversions of water, minus return flows, to each of the Lower Basin States and Mexico, and can be found here: http://www.usbr.gov/lc/region/g4000/4200Rpts/DecreeRpt/2014/2014.pdf. In addition to the basic apportionment of 4.4 million acre-feet, California's uses included additional deliveries to MWD from their existing Intentionally Created Surplus accounts of 320,992 acre-feet and 65,000 acre-feet of water banked for the Southern Nevada Water Authority pursuant to a Storage and Interstate Release Agreement. Imperial Irrigation District fully repaid its outstanding inadvertent overrun balance and created 18,867 of Intentionally Created Surplus water that will be stored in Lake Mead, in addition to 18,868 acre-feet of water generated through conservation that IID stored with the Metropolitan Water District of Southern California pursuant to the California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus. Arizona and Nevada both used less than their basic apportionments in 2014 and a total of 28,674 acre-feet of unused water from those States was left in Lake Mead. The accounting for deliveries of water to Mexico reflects the delivery of 105,068 acre-feet of water that had not been delivered in prior years in accordance with the terms of Minute 318 and Minute 319 but was delivered in 2014 for the pulse flow. Mexico deferred delivery of 56,009 acre-feet in 2014. Above the amounts requested for delivery by Mexico, the U.S. delivered 32,151 acrefeet of excess water to Mexico and bypassed 144,602 acre-feet of water to Mexico pursuant to Minute 242's salinity management requirements.

California Drought Update

The May 26, 2015, Drought Monitor map for California indicates that 47% of the State continues to be in the "exceptional drought" category, which is the worst level of drought severity. The State Water Resources Control Board has continued to implement its mandatory water conservation regulations in accordance with Governor Brown's April 1 Executive Order requiring restrictions sufficient to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. An online webinar series was developed to provide assistance regarding implementation of the new regulations. On June 2, the Water Board released a report documenting a 13.5% level of conservation in April as compared to water usage amounts in April 2013.

On May 31, 2015, researchers at UC Davis released a preliminary analysis of the economic impacts on agricultural production in California of the ongoing 2015 drought indicating a direct agricultural cost of \$1.8 billion and a statewide economic cost of \$2.7 billion for 2015. Based on survey results, the report estimates that 563,800 fewer acres will be irrigated in 2015 as compared to an average year as a result of the drought conditions this year.

COLORADO RIVER BASIN PROGRAM REPORTS

Basin States Drought Contingency Planning Updates

The State of Arizona and the Central Arizona Project continue to seek approval from the parties to the 2007 Lower Colorado River Intentionally Created Surplus Forbearance Agreement of a new program within Arizona to create Extraordinary Conservation ISC. CAP and ADWR made presentations to the Colorado River Board of California in November 2014 and April 2015 regarding the details of the proposal and have asked the California parties to move forward with consideration of the request as soon as possible. The Southern Nevada Water Authority and the Colorado River Commission of Nevada approved the program in May. CAP and ADWR estimate that the new program could generate up to 95,922 acre-feet of conserved water in 2015.

The Bureau of Reclamation has continued to implement the Pilot System Conservation Agreement in the Lower Basin and has awarded an initial conservation agreement to the Southern Nevada Water Authority associated with fallowing in the Muddy and Virgin River Basins that is expected to generate approximately 15,000 acre-feet of water over the next two years. Additional agreements are anticipated to move forward in the near future in response to conservation proposals that have been received from a variety of different types of applicants in each of the Lower Basin States. In the Upper Basin, the Upper Colorado River Commission will oversee the program and is expected to review an initial round of Upper Basin proposals later this month.

Colorado River Basin Water Supply and Demand Study

The Phase 1 Report of the Basin Study's Next Steps process was released on May 12, 2015. It identifies 25 opportunities for additional agricultural and urban conservation that were developed through a lengthy workgroup process. The Phase 1 Report can be found here: http://www.usbr.gov/lc/region/programs/crbstudy/MovingForward/Phase1Report.html.

Minute 319 Implementation

A bi-national meeting of the U.S. and Mexican Commissioners to review the progress of Minute 319 was held on May 14, 2015 in San Diego. Discussion topics included reports on the implementation activities from 2012 to the present, a review of pending Minute 319 projects and a review of the planning for a prospective future Minute. The next bi-national meeting is scheduled for June 22 in Juarez, Mexico.

Colorado River Basin Salinity Control Program

The Salinity Control Forum and Advisory Council meetings were held on May 20-21 in Salt Lake City, Utah. On May 19, the meeting participants toured the Compass Minerals solar evaporation ponds facilities in Ogden, Utah, and the adjacent Bear River Migratory Bird Refuge managed by the U.S. Fish and Wildlife Service. Compass Minerals operates 25,000 acres of evaporation ponds that draw brine from the Great Salt Lake into shallow solar evaporation ponds to produce salt, sulfate of potash, and magnesium chloride. Compass Minerals is the largest producer in North America of those products, which are used as de-icing products and as crop fertilizers. The 80,000 acre Bear River Migratory Bird Refuge is located just north of the evaporation ponds, and is known as on of the "crown jewel" of the federal refuge system. A map of the tour route can be found in the Board packet.

During the Forum meetings, Reclamation gave an update on the current operations of the Paradox Valley Unit injection well, which has not encountered any operational issues for the past

18 months. The draft EIS for the replacement project is on track for a fall 2016 release. The EIS is assessing four alternatives: no action, evaporation pond(s), a second injection well, and a commercial market for the brine. Reclamation is evaluating availability of suitable lands for evaporation ponds and/or a replacement well, and will conduct community outreach meetings. One of the considerations associated with the location of a second well is seismicity, and Reclamation is doing further subsurface geologic investigations to help refine potential areas for a second well. The commercial market alternative request for information closed on May 11 with no submittals received. Reclamation is looking to do more proactive public outreach for potential commercial markets for the brine. Reclamation continues to work on a Contingency Plan, which would act as a backup plan if the existing well fails before the EIS is completed.

A Program Funding Subcommittee was previously formed to look at the potential shortfall in the Lower Colorado River Basin Development Fund (LCRBDF) for Salinity Program funding. Until the shortfall is addressed, the Advisory Council has recommended that Reclamation adjust he short-term management of the LCRBDF cash flow in order to continue implementation of the program. Longer-term LCRBDF management recommendations are still under discussion among the states and will likely involve Congressional action in modifying the existing cost-share funding structures.

The 2014 Triennial Review was adopted by the California State Water Resources Control Board on May 5 for incorporation into the state's water quality standards for salinity in the Colorado River system. A timeline for the next Triennial Review will be discussed during the fall Forum meeting. The Work Group plans to start drafting the Triennial Review at the end of this year.

The Forum adopted its FY2016 budget of \$194,511, which is consistent with prior years' budgets. California's assessment for FY 2016 remains at \$40,198. The Work Group is scheduled to meet on July 8-10 in Salt Lake City, Utah. The next Forum and Advisory Council meetings will be held on October 28-29 in Tucson, Arizona.

Status of the Glen Canyon Dam Adaptive Management Program

The Adaptive Management Work Group (AMWG) of the Glen Canyon Dam Adaptive Management Program met via webinar conference on May 28. Informational reports were received from the USGS and Reclamation. The AMWG approved a new two-year charter authorizing AMWG operations through 2017.

The AMWG received a brief report from the Technical Work Group (TWG) regarding three issues. First, razorback sucker surveys in Lake Mead and Lower Grand Canyon are continuing to show consistent evidence of larval and subadult fish occupying these mainstream aquatic habitats. Second, endangered humpback chub population aggregations seem to be stable or even increasing; and that small translocated populations of these fish are doing well in their new locations. Finally, the Lees Ferry rainbow trout fishery is still exhibiting declining condition and decreased population numbers, although there is anecdotal information from trout fisherman that the situation may be turning around. The angling community also recently submitted a white paper outlining some recommendations for better managing the trout fishery. This document will be reviewed and discussed at subsequent TWG meetings.

Reclamation briefly reported that the GCDAMP is in the second-year of its triennial budget and work plan and that there are currently no plans to modify either the work plan or associated budget for adaptive management projects and activities. Reclamation also provided an overview of current basinwide hydrology and expected operations at Glen Canyon Dam during Water-Year 2016.

Reclamation also provided an update regarding the preparation of the Long Term Experimental and Management Plan (LTEMP) draft environmental impact statement (DEIS). This process to develop a new operational paradigm for Glen Canyon Dam has been ongoing for nearly four years and is based upon the scientific knowledge gained since the original Glen Canyon Dam EIS Record of Decision was implemented in 1995. Reclamation and the National Park Service are currently reviewing the administrative DEIS and expect to release it to the cooperating agencies by the end of June. The Colorado River Board recently requested cooperating agency status, and will be participating in the review and commenting on the administrative DEIS. Reclamation reported that the public draft EIS is expected to be released for review and comment in August, with a final EIS and Record of Decision near the end of 2015.

The next meeting of the AMWG is scheduled for August 26-27, 2015 and will be held in Tempe, Arizona. The TWG plans to meet via webinar on June 11 and will consider recommendations to the AMWG on the WY16 hydrograph and FY16 budget and work plan.

Status of the Lower Colorado River Multi-Species Conservation Program

The Lower Colorado River Multi-Species Conservation Program (MSCP) continues work on the *Final Implementation Report, Fiscal Year 2016 Work Plan and Budget, Fiscal Year 2014 Accomplishment Report*, a draft of which was released in April and discussed at a MSCP Work Group meeting on May 6-7. The final report is expected within the next month. The LCR MSCP Steering Committee is scheduled to meet on June 24 via webinar to approve the proposed FY-16 budget and work plan.

ANNOUNCEMENTS

On May 11, 2015, Reclamation issued two funding opportunity announcements for drought relief programs and will be hosting a webinar on the funding announcements on Thursday, June 11, 2015 at 1 pm. The federal funding requires a 50/50 non-federal cost-share, and applications are due on June 25. http://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=49418

On June 2, 2015, the Senate Energy and Natural Resources Committee held an oversight hearing on the status of drought conditions throughout the western U.S. Witnesses at the hearing included Mike Connor, the Deputy Secretary of the Department of the Interior and Tom Buschatzke, the Director of the Arizona Department of Water Resources. A webast of the hearing can be seen here: http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=e15b2461-34e5-4cad-8ca1-78d3476be6a1, and testimony for the record will be accepted through June 16, 2015.

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